



Mid Year Status Report of Non-Tax Revenue Optimization Projects

*Presented
by*

**The Executive Office for
Administration and Finance**

and

The Office of the Comptroller



JANE SWIFT
GOVERNOR

KEVIN J. SULLIVAN
SECRETARY

COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE FOR
ADMINISTRATION AND FINANCE
STATE HOUSE • ROOM 373
BOSTON, MA 02133

TEL: (617) 727-2040

FAX (617) 727-2779

INTERNET <http://www.state.ma.us/eoaf/>

February 21, 2002

Honorable John H. Rogers, Chairman
House Committee on Ways and Means

Honorable Mark C. Montigny, Chairman
Senate Committee on Ways and Means

Dear Chairmen Rogers and Montigny:

The purpose of this letter is to transmit the FY2002 Mid-Year Report of the Non-Tax Revenue Optimization (RevOpt) Campaign. The report details the RevOpt projects and efforts underway for FY2002. The format is a) cover letter; b) summary list of projects; and c) project approval forms to certify the projects expected to "optimize" revenues this fiscal year and that all parties agree to the goals of the projects.

The RevOpt Campaign is a multi-year, multi-agency effort to enhance the management and collection of non-tax revenues. The RevOpt Campaign commenced in FY1996 with initial authorizing legislation in Section 309 of the General Appropriation Act for FY1996. The RevOpt Team, which is comprised of members from the Executive Office for Administration and Finance, the Comptroller's Office, the Fiscal Affairs Division, the Executive Office of Health and Human Services, the Division of Medical Assistance, and the Central Business Office, guides the RevOpt Campaign. Since the program's inception the campaign has generated in excess of \$245 million in gross additional revenues and has distributed \$18.5 million in department incentive payments.

Our current estimate for FY2002 net optimized revenues is \$5.9 million. Thus, it appears likely that new revenues resulting from the program will meet the minimum revenue target for FY2002. Detailed below are a few noteworthy projects that are representative of the FY2002 RevOpt Campaign:

The Department of Social Services (DSS) initiated a project to claim IV-E reimbursement for the development of the rates to build new foster care and bridge homes. The project is expected to generate FY2002 revenue of approximately \$3.9 million.

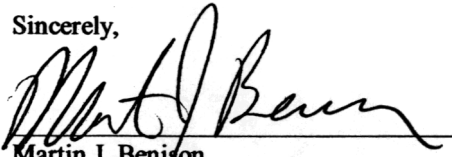
The Office of Child Care Services (OFC) initiated a project to claim IV-E reimbursement for basic and teen childcare services not covered by the Child Care Development Block Grant (CCDBG). The project is expected to generate FY2002 revenue of approximately \$980,879.

The Massachusetts Rehabilitation Commission (MRC) initiated a project to claim Medicaid reimbursement for clients in jeopardy of being placed in nursing homes or hospitals. These services are provided under the Statewide Head Injury Program. The project is expected to generate FY2002 revenue of approximately \$400,000.

In order to continue our success and enhance our coordination of the program, we have contracted with Public Consulting Group, Inc. (PCG) to identify and clearly document any new potential non-tax revenue generating opportunities. It is intended that this project will reenergize the Commonwealth's efforts to continue to identify and pursue the collection of new non-tax revenue.

We have proposed that the RevOpt Campaign be authorized in FY2003 and is currently included in House 1a. If you would like additional information about the RevOpt Campaign, please do not hesitate to contact us.

Sincerely,


Martin J. Benison
Comptroller
Office of the Comptroller
Kevin J. Sullivan
Secretary
Executive Office for Administration and Finance

cc: Andrew Cherullo, Budget Director, House Ways and Means Committee
Matthew Gorzkowicz, Budget Director, Senate Ways and Means Committee



FY2002 RevOpt Projects

Mid-Year Status

Report Date: 2/20/02

Total Number of FY2002 Projects in Report: 14

Project #	Dept	Description	Support Depts	Vendor	Projected Revenue	Gross Revenue Collected
R093	AGR	Merchandise Sales.	N/A	AGR Staff	\$5,000	\$4,386
R164	CHE	License arrangements with wireless communications firms.	N/A	CHE Staff	\$20,000	
R214	CHE	Aid and Attendant Program	N/A	CHE Staff	\$25,000	
E14	DMH	Review reimbursement methodologies to maximize rates of payment for DMH inpatient facilities.	DMA	Umass Medical	\$1,000,000	
R202	DMR	Claim Medicaid reimbursement for waived services for CommonHealth clients which are eligible for reimbursement as a result of the Health Care Reform Expansion.	DMA	DMR Staff	\$945,151	
R212	DMR	Claim FFP for case management services for CommonHealth clients which are eligible for reimbursement as a result of the Health Care Reform Expansion.	DMA	DMR Staff	\$40,118	
R221	DPH	Medicare cost based billing for Shattuck Hospital	DMA	Umass Medical	\$340,000	
R200	DSS	Developing IV-E rates for new substitute care models.	N/A	Public Consulting Group	\$3,900,000	
R210	MBC	License arrangements with wireless communications firms.	N/A	MBC Staff	\$50,000	
R094	MHD	Antennae license agreements with Sprint, Verizon, Cellular One and AT&T at six MHD locations. The six MHD locations are in Dedham, Walpole, Arlington, Westboro and Boxford.	N/A	MHD Staff	\$250,000	
R219	MHD	Installing fiber optic communication cables within Massachusetts.	N/A	MHD Staff	\$500,000	
R206	MRC	Services Provided under Statewide Head Injury Program (SHIP).	DMA	MRC Staff	\$400,000	

Project #	Dept	Description	Support Depts	Vendor	Projected Revenue	Gross Revenue Collected
R124	OFC	Claim IV-E reimbursement for Basic and Teen child care services not covered by the Child Care Development Block Grant (CCDBG).	DSS	Public Consulting Group	\$980,879	
R218	OSC	Claim outstanding abandoned property accounts on behalf of the Commonwealth of Massachusetts.	TRE	OSC Staff	\$20,000	\$19,120
Projected Total Gross Revenue:					\$8,476,148	\$23,506
Projected Vendor Payment:					\$580,088	
RevOpt Administration Charges:					\$586,851	
Projected Department Incentive Allocation:					\$1,000,000	
Projected Net RevOpt Revenue:					\$6,309,209	